



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

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WIA GUIDANCE LETTER #16-02

SUBJECT: Clarification and differentiation of allowable expenditures and activities funded with statewide rapid response monies vs. rapid response - additional assistance, dislocated worker program and national emergency grant funds

REFERENCE: PL 105-220 Section 112(b)(17)(A)(ii), Section 134(a)(2)(A); CFR Part 665 Subpart B 665.200(a); CFR Subpart C 665.300; 665.310; 665.320; Section 134(a)(2)(A)(ii); CFR Part 665 Subpart B 665.340; Section 133(b)(2)(B); Section 134(a)(2)(A)(i); CFR 665.320; WIA Information Policy Memo #03-02

BACKGROUND: The Workforce Investment Act requires the Governor of each state to reserve a portion of the funds allotted for the dislocated worker program for statewide rapid response activities. Of these funds, up to 25% can be set aside to be provided as "state" funds or as additional assistance *local area* funds beyond the initial formula allocation to the area (665.340), and may be used to provide direct services, such as intensive and training activities.

The state Workforce Development Administration (WDA) elected to designate local areas to conduct rapid response activities to assist workers affected by mass layoffs and plant closings. Each LWIA receives an allocation of statewide rapid response funds to carry out such activities, in addition to dislocated worker formula funds, which are used to provide core, intensive, and training services to *registered* participants. Separate from the dislocated worker program and statewide rapid response funding initially allocated to each local area, the state reserves additional funds that can be passed through to an LWIA to quickly assist with a mass layoff or plant closing. These funds are made available when there are not enough state or local formula funds to adequately serve affected workers.

In the case of a major dislocation event that impacts the total number of unemployed individuals in a community, application for a national emergency grant may be necessary. Such grants provide adjustment assistance that may include core, intensive, and training services to eligible dislocated workers. The specific scope of services are negotiated between the U.S. Department of Labor, the state, and the impacted LWIA(s).

Although the various funds allocated to local areas are used to assist workers affected by adverse events in quickly transitioning into other occupations, each source of funding can only be used to provide specific activities.

Statewide Rapid Response (Funding Source 1R)

Required rapid response activities are listed at CFR Part 665.310 and additional activities which may be funded with statewide rapid response funds are listed at CFR 665.320. The rapid response team is required to provide immediate on-site assistance to employers and worker representatives upon receipt of a WARN notice, a public announcement of mass layoff or plant closing, or if the rapid response team has direct knowledge of an impending layoff. Allowable rapid response assistance consists of activities necessary to assess the needs of the affected workers, identify available resources, and plan and deliver services to enable dislocated workers to move into new employment as quickly as possible. While rapid response activities should encompass provision of core level services, intensive and training services *cannot* be provided with a local area's initial allocation of rapid response funds.

Individuals who receive assistance funded only with statewide rapid response monies are *not* registered participants and, therefore, are *excluded* from performance outcomes. All individuals served in a rapid response (rapid response is not a "program", therefore, affected workers are not *registered* in RR) will not necessarily go on to register into the dislocated worker program, therefore, local area staff are not required to key them into the WIA Participant Tracking System (PTS).

Example #1: An employer lays off 300 employees. The rapid response team sets up assistance at the employer's location to provide information on core services, application for UI benefits, job search and placement assistance, eligibility determination for WIA dislocated worker program services, etc. Of the 300 affected workers, 75 are able to find employment on their own, 25 are placed by Job Service staff, 23 refuse further services and only 177 go on to register into the dislocated worker program.

Those individuals who moved immediately into new employment opportunities or refused further assistance will only be tracked through financial reporting of funds expended through the rapid response activities. The remaining 177 who were determined eligible for and registered in the WIA dislocated worker program will be tracked both in the PTS database and through financial reporting. When the individual is entered into the PTS, the services provided during rapid response might show a funding source of 1R and the activities provided following registration will show a funding source of 1W (see Example #2 below).

Dislocated Worker Formula Funds (Funding Source 1W)

Dislocated worker formula funds are used to provide direct services to individuals *registered* in the WIA dislocated worker program. The full range of core, intensive, and training services are available and can be provided with these funds in a manner consistent with the individual employment plan developed for the participant. It is very important to distinguish between the funds spent to provide rapid response services to this individual and the funds expended on this individual during participation in the dislocated worker program.

Example #2: In the scenario given in Example #1 above, the transaction records of those individuals who went on to become registrants in the dislocated worker program might be recorded in the following manner:

Activity Start Date	Activity	Funding Source	Actual End Date
10/13/2001	CJR	1R	10/17/2001
10/17/2001	OAS	1W	10/20/2001
10/21/2001	PEP	1W	10/23/2001
10/24/2001	TUR	1W	

Rapid Response - Additional Assistance Funds (Funding Source 1S)

The additional assistance funding is reserved at the state level and can be passed through to local areas to assist with providing services to dislocated workers. However, it must first be determined that there are not enough statewide or local program funds to provide sufficient services to the workers affected by mass layoff or plant closings. In other words, the state must review the local area rapid response and dislocated worker program funds *and* the state rapid response funds and find that there are not enough of the combined total to respond expeditiously to the workers for the services needed. These additional assistance funds may be used for intensive and training activities only after the LWIA has *expended* its initial rapid response allocation, *as well as* its dislocated worker formula allocation. If full dislocated worker services are provided with additional assistance funding, then dislocated worker performance measures *apply*.

Once the need for additional assistance has been determined, the state WDA would allocate funds to the LWIA, so that the affected workers would have access to all services including intensive and training services. CFR 665.340 was added to the Final Regulations to clearly distinguish between statewide rapid response funds (1R) and additional assistance funds (1S), clarifying that *additional assistance funding* may be used to provide direct services.

National Emergency Grant (Funding Source IX and state-assigned Project Code)

National Emergency Grant (NEG) funds are accessible through an application process based on specific guidelines. These funds provide supplemental dislocated worker funds to states and local areas to meet the immediate and long-term needs of dislocated workers and communities affected by substantial economic dislocations which cannot be met with formula funds.

Although individuals served with NEG funds are excluded from the seventeen (17) core measures of performance, the U.S. Department of Labor can establish supplemental requirements for oversight, monitoring and reporting of the grant requirements. These requirements would be identified in the grant application instructions or document.

ACTION REQUIRED:

Please distribute this information to all programmatic and MIS staff responsible for Dislocated Worker and Rapid Response activities and services in your LWIA.

If you have questions, please contact Ms. Pat Gegan at (602) 542-2490 or me at (602) 542-3957.

Sincerely,

Nadine Talayumtewa
Program Administrator (Actg)
Workforce Development Administration

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